GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1218
ANSWERED ON:01.03.2001
ROYALTY TO STATES
SRINIVASULU KALAVA

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government have decided to allow oil producing States to have a share of profits from the on-shore drilling revenues:

(b) if so, whether the Government propose to privatise some of the oil fields; and

(c) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS(SHRI SANTOSH KUMAR GANGWAR)

(a): . The State Governments get royalty on production of crude oil.The present rate of royalty on crude oil is Rs. 800 per metric tonne or 20% of well-head value, whichever is less.

(b) & (c): Does not arise. However with a view to attract investments to accelerate exploration and production of crude oil in the country, the Government has announced New Exploration Licensing Policy(NELP). Under the first round of NELP, the Government has signed Production Sharing Contracts(PSCs) for 24 blocks.Under the second round of NELP, the Government has put onoffer another 25 blocks.